

APRIL 2, 2002  
MEMORANDUM

To: Magalie Roman Salas, Secretary, Federal Communications Commission,  
ecfs@fcc.gov

From: Robert Dillon, Director of Grants, Edison Schools Inc.,  
rdillon@edisonschools.com

Re: FCC 02-8 Comment on the Federal Communications Commission Regarding  
the Schools and Libraries Universal Service Support Mechanism, Notice  
of  
Proposed Rulemaking and Order (CC Docket No. 02-6).

#### Introduction

Edison Schools Inc. is an Educational Management Organization (EMO) currently managing 136 U.S. public schools in 23 states and the District of Columbia. As such, we assist school administrators in managing the E-Rate program in order that their schools may receive discounts enabling them to provide students and teachers with access to internet and other modern communications facilities.

#### Voice Mail Services

We support the suggestion that voice mail services should be considered eligible for E-Rate. Enhanced communication between parents and teachers is important to the improvement of student educational outcomes. Telephonic communications can provide greater teacher-parent interaction through the use of classroom phones and voice mail. In particular, voicemail allows for parents and teachers to stay in meaningful contact with a minimal disruption of critical instruction time. It is on these grounds that we believe voice mail service and equipment should be E-Ratable.

#### Consortia

We are responding to FCC's request for the provision of comment on any proposals as to how we might clarify, change or reorganize the other rules and requirements relating to consortia, to help ensure that these rules and requirements reflect a fair and consistent approach to the role and obligations of consortia leaders and the consequences to consortia members of violations by leaders and other members<sup>85</sup> [and] comment on how we might improve program operation or otherwise further our interest in fairly distributing benefits of the program and limiting fraud, waste, and abuse, by making consortia application and participation requirements more transparent, so that it is clear what consortia may do and what their responsibilities are.<sup>94</sup> (Paragraph 32.)

We propose that SLD develop a parallel set of allowable competitive bidding procedures that could be applied on a national or multi-state basis. The single set of national procedures could be designed to meet the substantive requirements of the most stringent state and local standards. This would allow the formation of national and multi-state consortia to review bids for services and equipment on a nation-wide or multi-state basis, creating substantial savings to consortia members based on increased purchasing power while greatly reducing administrative costs to the consortia by applying a single set of bidding procedures and standards. Under current rules, national and multi-state consortia are virtually prohibited by the requirement of separately meeting the applicable state and local standards of each consortium member located in a different state or locality.

#### Treatment of Unused Funds

We support the carry over of unused E-Rate funds to the following year or years rather than the reduction of the Universal Service fee in subsequent years on the grounds that the intent of the legislation establishing and continuing the Universal Service program is to provide all eligible schools and libraries with internet access and other telecommunications service to enhance the quality of education nationally. Funds collected for this purpose should be fully expended as intended rather than used to reduce the fees in subsequent years.

#### Revising or Eliminating Outmoded Rules=97Determination of Free and Reduced Lunch Price Eligibility Percentage at First Year Charter Schools

Paragraph 4 of FCC 02-08 states in part that the proceedings have been undertaken =93to insure that that the benefits of this universal service support mechanism for schools and libraries are distributed in a manner that is fair and equitable.=94 We believe that the current rules for determining the discount rate based on free and reduced price lunch eligibility percentages are not fair and equitable to first year public charter schools and therefore should be amended to allow for estimates at the time of the filing of the Form 471. The E-Rate would be subsequently adjusted after the schools=92 opening.

By analogy with the final regulations regarding State-administered programs (34 CFR Part 76, Fed. Reg. December 22, 1999) in connection with The Charter School Expansion Act of 1998, which requires that State Educational Authorities (SEA=92s) allocate federal funds to first year charter schools on an equitable basis with Local Educational Authorit

ies  
(LEA=92s), we believe SLD should establish rules that provide the same  
protection for first year public charter schools seeking to receive  
E-Rate discounts.

Specifically, the above-cited regulation allows first year schools to  
estimate student and free and reduced price lunch counts 120 days before  
the opening of the school to establish initial allocations for federal  
categorical funds. Allocations are then adjusted appropriately once the  
school has opened and has established actual counts in the fall of its  
first year. We believe that SLD should follow the same procedure for  
first year schools. Specifically, SLD should allow initial student  
counts to be based on contractual estimates. Free and reduced lunch  
price estimates should be allowed to be based on any of the following  
:  
(1) sampling polls of prospective students, (2) the average rate of the  
LEA (district) in which they are located, or (3) the rates of contiguous  
schools located in the same neighborhood. The E-Rate would be  
provisionally awarded based on such estimates, and then adjusted based  
on actual enrollment data once the school has opened.

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adr;;;521 Fifth Ave., 11th Fl.;New York;NY;10175;  
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title:Director of Grants  
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